

Return on Investment Program Funding Application for FY 2013

Contact Information:

Funding to be requested (select only one):

☒ **IT Enterprise Solution project**

☐ **Agency Specific IT project**

Date: August 31, 2011

Agency Name: Department of Management

Project Name: IowaGrants.gov
(previously Comprehensive Electronic Grants Management System)

Agency Manager: Kathy Mabie

**Agency Manager Phone Number / E-Mail: 515-281-7076,
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Executive Sponsor (Agency Director or Designee): David Roederer

Amount of Funding Requested: ____\$320,000_____

Section I: Project Description:

The Iowa Department of Management (IDOM), with the cooperation of several state agencies, is seeking assistance from the Return on Investment Program to complete the implementation of IowaGrants.gov, a Grant Notification Storefront and Comprehensive Electronic Grant Management System. The contract to complete implementation of IowaGrants.gov is for a total of \$1.432M over 6 years and was initiated in August of 2008. The Iowa Department of Management received ROI FY 09 funding of \$455,000 and ROI FY 11 funding of \$414,311. This request for ROI FY 13 funding is expected to be sufficient to complete the implementation of IowaGrants.gov, \$240,000 under the original projection.

The **Grant Notification Storefront** assists public and private entities seeking funding through state administered grant programs. State agencies share a single portal through which potential applicants search for open solicitations or ongoing grant programs. The Storefront provides summary information on grant solicitations and directs interested applicants to additional information and application instructions/materials.

The **Comprehensive Electronic Grant Management System** manages the grant application, selection, award/contracting, monitoring, communications, modification, reporting, close-out, and financial management processes.

This approach provides a comprehensive, integrated system. While there are common templates and a shared database that allow for collaboration and information sharing within and between agencies, the system design allows flexibility to accommodate the specific requirements of all grant programs and the variations in departmental business processes.

The following agencies collaborated on the RFP development and are overseeing the implementation process:

- Department of Administrative Services, Information Technology Enterprise
- Department of Economic Development
- Department of Education
- Department of Management
- Department of Public Defense, Homeland Security and Emergency Management Division
- Iowa Commission on Volunteer Service
- Office of Drug Control Policy

Several agencies are in various stages of implementing IowaGrants.gov:

- Department of Commerce, Professional Licensing
- Department of Cultural Affairs
- Department of Economic Development
- Department of Education
- Department of Human Services
- Department of Public Defense
 - Homeland Security and Emergency Management Division
 - Mitigation
- Department of Public Safety
- Iowa Commission on Volunteer Service
- Office of Drug Control Policy

Future plans include continuing customization to meet the needs of state agencies as they implement the system, connecting IowaGrants.gov with the **I3 Financial System**, providing transparency of state grant information to the public and to meet new federal reporting requirements, and integrating MyIowaGrants.gov for use in reporting and managing grant funds received by state agencies. The expectation is that IowaGrants.gov will be fully implemented by December 31, 2013.

Section II: Expected Results

Iowa's state agencies award 15,000+ grants each year using varying methods for awarding and managing the grants. Most approaches involve massive paper shuffling, redundancy and complex spreadsheets. Prior to IowaGrants.gov, several state agencies purchased agency-specific, non replicable software, resulting in a significant investment of resources. This siloed approach to grant management resulted in fragmented processes and increased costs, promoted a culture of exclusivity within and between state agencies and contributed to an inability to identify and facilitate more coordinated efforts at the state and local level.

State and federal budget constraints are influencing the need to streamline processes and move toward better transparency regarding how tax dollars are spent. The federal Digital Accountability and Transparency Act (DATA Act), which has bi-partisan congressional support, will require recipient and sub-recipient reporting of grants dollars received and how they were

spent. Full implementation of IowaGrants.gov will provide the mechanism necessary for the state to report centrally.

IowaGrants.gov significantly reduces the amount of time agencies spend on the process of awarding and managing grants, resulting in an increased focus on monitoring the status of funded projects and providing technical assistance to grantees.

Additional benefits to state agencies include:

- Transparency of Iowa's grant making process and resource allocation;
- Elimination of the costs of continued investments in the development and operation of agency-unique grant management systems;
- Access to a rich source of project and financial information for strategic planning, benchmarking, and performance-based budgeting;
- Reduced costs associated with procuring and administering grants;
- Reduced costs associated with processing applications (printing, paper, postage).
- 24-hour, on-line access to information.

The State also has a responsibility to serve 15,000+ sub-grantees in a consistent, customer-focused manner therefore it's imperative that all state government funding opportunities be easily identifiable and applications accessible and straightforward.

Benefits to applicants representing government entities, non-profit organizations, private businesses and individuals include:

- 24-hour electronic access to sources and applications for funding;
- Simplified grant application and administration;
- Reduction of application errors;
- Improved communication between applicant and grantors;
- Improved accessibility to grant information ensuring accountability to boards, commissions, stakeholders and citizens;
- Access to a rich source of project and financial information for strategic planning, benchmarking, performance-based budgeting and proactive management of grants.

Section III: Financial Analysis

Paper grant management systems are time and labor intensive. Iowa Grants.gov reduces the staff time and costs associated with managing and administering grants.

Enclosure Two reflects an estimated annual savings of \$7.2M million when IowaGrants.gov is fully implemented. The estimate is based on the average cost of administering a sample grant program with 90 sub-grants. The following steps were used to calculate the savings:

1. Estimated current average cost of administering a sub-grant
2. Estimated number of grants administered by all grant-giving state agencies
3. Estimated current total cost of administering grants
4. Comparison of the current total cost with the anticipated cost following IowaGrants.gov implementation

Section IV: Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

1. Improved customer service

- # of applicants participating
- % increase of site monitoring visits
- % reduction in turnaround time for grant review and selection

2. Citizen impact

- % of Iowa citizens who have access to information on the allocation of grant resources
- # of visitors to IowaGrants.gov storefront
- # of grant programs using IowaGrants.gov
- # of grant applications submitted
- # of forms and processes standardized

3. Cost Savings

- # of grant reports submitted on-line
- % reduction of direct costs associated with grant management
- Reduction in the # of hours spent administering grant programs

4. Project reengineering

- # of grant programs using IowaGrants.gov
- # of grant applications submitted
- # of forms and processes standardized

5. Source of funds (Budget %)

- % General Fund

6. Tangible/Intangible benefits

- % of grant applications compliant with grant requirements
- # of grant programs using IowaGrants.gov
- # of grant applications submitted
- # of forms and processes standardized

Enclosure One – Financial Analysis

Enclosure Two - Hours/Costs Associated with Grant Management Tasks

Enclosure One: Financial Analysis Spreadsheet to Return on Investment (ROI) Program Funding Application

Agency Name: Department of Management

Application Name: IowaGrants.gov

Table One: Estimated Project Cost

	FY13	FY14	FY15	FY16	FY17
Development and Implementation Costs	\$300,000	\$185,000	\$130,000	\$130,000	\$130,000
Recurring Costs - Hosting and Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Costs	\$320,000	\$205,000	\$150,000	\$150,000	\$150,000

Table Two: Percentage of Costs From

General Fund	5%	90%	100%	100%	100%
Federal or other funding					
Pooled Technology Fund	95%	10%	0%	0%	0%

Table Three: Projected Reduction in Expense

For Requesting Agency	\$0	\$0	\$0	\$0	\$0
For State Government	\$2,700,000	\$3,800,000	\$4,950,000	\$7,200,000	\$7,200,000
TOTAL Cost Reductions	\$2,700,000	\$3,800,000	\$4,950,000	\$7,200,000	\$7,200,000

Table Four: Calculated Estimated Return on Investment

Total projected cost from table one	\$320,000	\$205,000	\$150,000	\$150,000	\$150,000
Total projected cost reductions from table two	\$2,700,000	\$3,800,000	\$4,950,000	\$7,200,000	\$7,200,000
Projected Net Benefit to the State of Iowa	\$2,380,000	\$3,595,000	\$4,800,000	\$7,050,000	\$7,050,000

Detail: Table One Development and Implementation Costs

Hosting and Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
State agency Technical Assistance	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Customization	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000
Transparency	\$30,000	\$15,000	\$10,000	\$10,000	\$10,000
Connect to I3 Financial System	\$30,000				
Time Tracking Module	\$20,000				
Enhance Storefront and Search Capabilities	\$20,000				
MyIowaGrants.gov - Internal Grant Management System	\$30,000				
Total	\$320,000	\$205,000	\$150,000	\$150,000	\$150,000

Enclosure Two - Hours/Costs Associated with Grant Management Tasks

Agency Name: Iowa Department of Management

Application Name: IowaGrants.gov

<u>Tasks</u>	<u>Hours</u>	
	Current	After IowaGrants.gov
Marketing and publishing the grant opportunity	12	4
Rollout and training for prospective applicants (per applicant)	12	6
Create/Design application forms to meet requirements of individual grant awards	40	10
Budget Development and Implementation	40	20
Mailing forms to prospective applicants	16	0
Receiving and sorting applications	40	10
Application review & revisions	500	350
Determine eligibility	40	40
Create or revise administrative plan	80	80
Define performance measurements	24	24
Determine if special conditions are necessary for specific grantees or programs	8	8
Grant package sent to original funder with assurances, agreements, DUNS Number, detailed budget, etc.	40	20
Award sub-grants - agreements mailed and signed	40	20
Set up database to manage the grant program	60	20
Track communications regarding grants-Grantor & Sub-Grantee	100	10
Payments processed - multiple payments for each award	600	450
Process changes or amendments to the original grant agreement	120	60
Monitoring, oversight and technical assistance	750	1,500
Receiving and reviewing quarterly reports	1,000	500
Final Reports	200	100
Close-out monitoring - assuring audit compliance	1,000	500
Close-out of grant	250	120
* Total Hours	4,972	3,852
Cost analysis of current process: 4,972 hours divided by 90 sub-grants = 55 hours per sub-grant 55 hours per sub-grant x **\$40 per hour = \$2,200 per sub-grant \$2,200 per sub-grant x ***15,000 sub-grants processed annually Cost of processing 15,000 sub-grants = \$33,000,000		
Cost analysis of IowaGrants.gov: 3,852 hours divided by 90 sub-grants = 43 hours per sub-grant 43 hours per sub-grant x \$40 per hour = \$1,720 per sub-grant \$1,720 per sub-grant x 15,000 sub-grants processed annually Cost of processing 15,000 sub-grants = \$25,800,000		
Total savings based on 15,000 sub-grants processed annually = \$7,200,000 or 22% This is AFTER monitoring and technical assistance is increased by 100%		

* Total hours represents the time it takes to process 90 sub-grants for one grant program

** \$40 per hour includes salary (no overtime) and benefits.

*** Estimate of 15,000 sub-grants processed was obtained through survey responses.